
Budget Cuts in Arkansas: When the Heat's On, Fire It Up and...Get Cookin'?

Recent budget cuts in Arkansas state government are pushing the Department of Community Correction (DCC) to another level of innovation. In May 2001, just prior to the beginning of a new biennium budget cycle, the DCC suffered an \$800,000 budget cut in general revenue funding, followed by two subsequent cuts of \$125,000 and \$276,454 during the first year of the biennium. An additional reduction of \$828,877 is also expected in FY'03. Although this amount may not seem like much, for a state the size of Arkansas (with approximately 2,673,400 people), the cut is substantial. During the same period of time, the Arkansas Department of Correction, our sister agency, suffered a \$22 million budget cut.

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The DCC, the state's community corrections agency, administers a \$40 million budget to supervise and manage more than 40,000 adult offenders under probation and parole supervision or in community-based correctional facilities. Staffing exceeds 800 non-union employees. The agency's mission is "to promote public safety and a crime-free life-style by providing community-based sanctions in a cost-effective manner, and enforcing state laws and court mandates in the supervision of adult offenders remanded to the Department of Community Correction."

About a year ago, prior to the budget cuts, the DCC and four or five other agencies developed a strategic plan as the first step in participating in a new performance-based budgeting system. Although budget crunches came at an inopportune time, the agency still managed to obtain American Correctional Association accreditation for Parole and Probation and Residential Services. The budget cuts will increase throughout the biennium, but DCC expects to survive by being much more conservative in making decisions that require funding.

Impact of the Cuts

Perhaps the most severe impact of the budget cuts was the agency's inability to fund the Career Ladder Incentive Program (CLIP). This program is a state system that provides monetary rewards (through promotions or bonuses) to classified employees for exemplary job performance, subject to available funding within each agency. Generally, bonuses range from 1–8% in lump sum payments that don't affect an employee's base pay or retirement benefits. Promotions, which are added to base pay and retirement, can be 6% or 8%, depending on the number of pay grades increased.

Although many employees worked all year to become eligible to receive these promotions or one-time bonuses, the funding was simply not there, because the

agency had no resources for this worthwhile effort. Understandably, the loss of the program this fiscal year affected the morale of some staff. However, when faced with whether to invoke a layoff or fund CLIP, the DCC decided that the CLIP incentives were a necessary sacrifice.

Management continued to be committed to tapping into all options available to secure funding for the program this year and in upcoming fiscal years. Thus, the DCC asked the Department of Finance and Administration to fund the program through a pool set aside for such purposes. The request was approved, allowing management to provide some level of financial incentives for their star employees. The incentives ranged up to 3.5% for bonuses and promotions of 6% to 8%.

Cutting the Budget While Maintaining Services

Prior to the budget cuts, the DCC had already made an effort to do business more efficiently. With the news of the budget cuts, agency leaders came together to brainstorm ways to cut costs immediately while still maintaining an accredited level of services. During regular management and other meetings, the staff developed viable options that increased efficiency and prevented the need for layoffs or the disruption of major activities.

As a result, the agency has:

- ◆ Invoked a hiring freeze on vacant, non-essential positions and a minimal waiting period before filling vacant essential positions, to create salary savings;
- ◆ Applied for reimbursement of 40% of the purchase costs of bullet-proof vests for field staff;
- ◆ Consolidated probation/parole offices, reducing maintenance and operations costs, and reassigned staff to maintain supervisor-to-officer ratios;
- ◆ Centralized the economic sanctions collections component and redefined staff roles and assignments to enhance program integrity while increasing productivity;
- ◆ Established a desirable supervision fee collection rate and incorporated it into the job performance standards of supervision officers;
- ◆ Purchased additional vehicles to reduce maintenance and travel reimbursement costs;
- ◆ Centralized purchases for the remainder of the budget period, limited purchases to emergency items only, and eliminated all conference travel;
- ◆ Increased grant search activity;

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- ◆ Re-negotiated service contracts for drug testing and electronic monitoring;
 - ◆ Made policy changes regarding supervision standards, the violation process, and technical violators;
 - ◆ Assumed operation of out-patient substance abuse counseling in place of contracts that cost almost twice as much;
 - ◆ Implemented an employee recognition policy that rewards employees for superior performance; and
 - ◆ Consolidated caseloads and reassigned cases to use staff resources more efficiently.

In addition, the Arkansas Legislature passed a Drug Forfeiture Act, which earmarks 2% of all funds received through illegal drug activity for the DCC. The DCC received an initial \$800,000 during 2001 under this law. These funds were used to establish seven drug courts that would have been funded through the \$800,000 in general state revenues lost prior to the new biennium budget year.

The Final Results

In summary, when the “heat is on,” the DCC gets “fired up” and “gets cookin’!” In many ways, the budget cuts helped the agency develop more efficient ways of operating and enhanced its ability to respond to its legislative mandates. The cuts will not affect the agency’s ability to supervise and provide services to offenders under its jurisdiction, nor is it anticipated that the cuts will have a negative impact on recidivism, violations, revocations, or restitution. Staff satisfaction has increased, and taxpayers’ dollars are being well spent—in the best interest of the citizens of the Great State of Arkansas. ■

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